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DATE: April 2009
TO: HOME Rental Rehabilitation Program Administrators
FROM: Minnesota Housing HOME Rental Rehabilitation Team
SUBJECT: Program Update

This memo provides important program information. Please review and retain it for your records.
Your organization will be held responsible for knowing its content.

HUD Releases 2009 Rent & Income Limits

HUD's Community Planning and Development office has released the HOME Rent & Income Limits for 2009. **These limits are effective April 27, 2009**, and should be used for all income and rent compliance after this date. HOME Rent & Income Limits are available on our website, or at:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/>

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/>

Reminder- 2009 Administrator Workshop

Don't forget to register for the 2009 HOME Rental Rehab Administrator's Workshop! The training will take place Tuesday, May 12, from 8:30am-3pm, at the Country Inn & Suites in St. Cloud. Lunch is provided by Minnesota Housing. The agenda will include the 2009 Funding Round, affirmative fair housing marketing, and transition into the new state-appropriated program.

HOME Program Change- Income Eligibility at Annual Recertification

A recent HOME program training clarified the HOME Income Eligibility rules and according to that clarification permits Minnesota Housing to change income eligibility requirements. The following income eligibility requirements changes are effective immediately:

For initial income certifications done at project completion., Tenants in HOME units must meet the 60%AMI threshold. In properties with 5 or more HOME units, 20% of HOME-eligible tenants must be at or below 50% AMI, and 10% of HOME-eligible tenants may have incomes as high as 80% AMI.

For income certifications after the initial income certification. Tenants in HOME units—including move-ins—must meet the 80% AMI threshold. This means a tenant

household can be over 60% AMI at move-in, as long as they are at or below 80% AMI.
In properties with 5 or more HOME units, 20% of HOME must be at or below 50% AMI.

Below is a revised rent & income chart, based on the 2009 Administrative Procedural Manual:

| No. of HOME Units | Income Requirements at Initial Certification | Income Requirements During Effective Period | Rent Requirements |
|--------------------------|--|---|--|
| 1-4 | 60% area median income (AMI) | 80% AMI | lower of Fair Market Rent (FMR) or 60% AMI |
| 5+ | 100% of HOME units are occupied by tenants incomes lower than 80% AMI, with these requirements: | | |
| Very low income/Low Rent | at least 20% of the units must be occupied by very low income households, at 50% AMI or lower | at least 20% of the units must be occupied by very low income households, at 50% AMI or lower | at least 20% of the units must pay the lower of FMR, 50% rent limit, or 30% of the tenant adjusted income. |
| Low income/High Rent | up to 10% of the units may be occupied by households above 60% AMI | the remaining 80% of the units may be occupied by households above 60% AMI (up to 80% AMI) | The remainder of the units may pay the lower of FMR or 65%* rent limit. |

2009 Uniform Relocation Act (URA) Low Income Limits Issued

The 2009 URA Low Income Limits, used in connection with rental assistance payment calculations under 49 CFR 24.402(b), have been issued with an effective date of March 19, 2009. These calculations may be needed if the Uniform Relocation Act is triggered by permanent displacement of a tenant in a HOME property. The 2009 Low Income Limits are available at: <http://www.huduser.org/datasets/ura/ura09/relocact.html>

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